



BETSSON AB (PUBL)

**PROSPECTUS REGARDING LISTING OF
MAXIMUM SEK 2,000,000,000**

SENIOR UNSECURED FLOATING RATE BONDS

2016/2019

ISIN: SE 0009320617

20 December 2016

Important information

This prospectus (the “**Prospectus**”) has been prepared by Betsson AB (publ) (the “**Company**” or “**Betsson**”), registration number 556090-4251, in relation to the application for listing of the Company’s maximum SEK 2,000,000,000 senior unsecured callable floating rate bonds 2016/2019 with ISIN SE0009320617, of which SEK 1,000,000,000 was issued on 28 November 2016 (the “**Bonds**”) (the “**First Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Bond Issue**”), on the Corporate Bond List at Nasdaq Stockholm AB (“**Nasdaq Stockholm**”). References to the Company, Betsson or the Group refer in this Prospectus to Betsson AB (publ) and/or its subsidiaries, unless otherwise indicated by the context. References to “SEK” refer to Swedish Kronor.

This Prospectus has been prepared in accordance with the rules and regulations in the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) and Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, each as amended. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) in accordance with the provisions in Chapter 2, Sections 25 and 26, of the Swedish Financial Instruments Trading Act. It should be noted that such approval and such registration does not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in this Prospectus is accurate or complete.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may be subject to U.S. tax law requirements. Subject to certain exemptions, the Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

The Prospectus will be available at the Swedish Financial Supervisory Authority’s web page (www.fi.se) and the Company’s web page (www.betssonab.com), and paper copies may be obtained from the Company.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company’s auditors. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company’s management or are assumptions based on information available to the Group. The words “considers”, “intends”, “deems”, “expects”, “anticipates”, “plans” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group’s operations. Such factors of a significant nature are mentioned in section “*Risk factors*” below.

This Prospectus shall be read together with all documents that are incorporated by reference (see section “*Overview of financial reporting and documents incorporated by reference*” below) and possible supplements to this Prospectus.

The Bonds may not be a suitable investment for all investors and each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

This Prospectus is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (*Sw. Stockholms tingsrätt*) shall be the court of first instance.

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Risk factors

Investing in the Bonds involves inherent risks. The financial performance of the Company and the Group and the risks associated with its business are important when making a decision on whether to invest in the Bonds. A number of risk factors and uncertainties may adversely affect the Group. If any of these risks or uncertainties actually occurs, the business, operating results and financial position of the Group could be materially and adversely affected, which ultimately could affect the Company's ability to make payments of interest and repayments of principal under the Terms and Conditions. In this section, a number of risk factors, both general risks pertaining to the Group's business operations and material risks relating to the Bonds as financial instruments, are illustrated. The risks presented below are not exhaustive and other risks not discussed herein may also adversely affect the Group, the price of the Bonds and the Company's ability to service its debt obligations. Further, the risk factors herein are not ranked in order of importance. Potential investors should carefully consider the information contained in this Prospectus and make an independent evaluation before making an investment decision.

Risks associated with the Company, the industry and the market

Market specific risks

Political decisions, license requirements and uncertainty regarding future legislation

Gaming is, on most national markets, strictly regulated by law and all gaming activities are in principle subject to license requirements. The Group's operations are therefore affected to a considerable extent by political decisions and development in legislation. The legal situation for online gaming is continuously changing in different geographical markets. Old local regulations or new local regulations (not yet approved by the EU) are often in conflict with EU regulations, which creates a conflicting legal situation. There is a risk that new interpretations and changes in the application of existing laws and regulations in combination with new laws and regulations will have an adverse effect on the Group's operations, and that it will become more burdensome and costly for the Group to monitor certain national rules on e.g. licensing, VAT, gaming tax and other legal aspects. If any of these factors would materialise, there is risk that it will have a material negative impact on the Group's operations, earnings and financial position.

There is currently a special committee in Sweden, which is one of the Group's key markets, tasked with proposing new laws and regulations regarding the Swedish gaming market. There is also an ongoing re-regulation process in the Netherlands, which is another key market for the Group. Several other European countries such as Norway and Germany may potentially impose legislative changes regarding gaming. Proposed changes could include e.g. changes in taxation, an obligation to have a national license and restrictions on marketing. There is uncertainty surrounding the future legislation of the gaming market, both in Sweden and in

other jurisdictions, and there is a risk that the outcome of the potential legislative changes will have a material negative impact on the Group's operations, earnings and financial position.

Further, legislation that is applicable directly to online consumer services is currently limited. However, the European Union is taking measures, e.g. issuing recommendations, to improve and strengthen the consumer protection for online gaming. Therefore, there is a risk that new legislation will be introduced for online-based operations which will restrict the growth of e-commerce in general and/or online gaming in particular. If such legislation would enter into force, there is a risk that it will have a negative impact on the Group's operations, earnings and financial position.

The economy, customer trends and negative publicity

The Group's revenues are dependent on the customers' gaming activity, which in turn is, to some extent, affected by the customers' economic situation and customer trends. Should there be a general downturn in the economy, there is a risk that this will lead to a lower disposable income for the Group's customers and that it may have a negative impact on the gaming activity for the Group's customers. Hence, there is a risk that a general downturn in the economy will have a negative impact on the Group's operations, earnings and financial position.

Further, should customer preferences change, such as e.g. types of games requested, there is a risk that this will lead to lower customer activity if the Group is unable to meet the new customer preferences. Hence, there is a risk that customer preference changes will have a material negative impact on the Group's operations, earnings and financial position.

The gaming market is a debated industry and the industry as a whole is dependent on social acceptance. If the social acceptance of gaming declines this would have a negative effect on the whole gaming industry. There is a risk that such decline will have a material negative impact on the Group's operations, earnings and financial position.

Competition

The Group currently has a large number of competitors, and the number of competitors in the online gaming market is increasing. There is a risk that an increase in competition will lead to increased costs with regards to seeking out new customers, as well as retaining current customers. The Group's possibility to compete also depends upon the Group's ability to anticipate future market changes and trends and to rapidly react on existing and future market needs. If the Group fails to meet the competition from new and existing companies or fails to react to market changes or trends, there is a risk that it will have a material negative impact on the Group's operations, earnings and financial position.

Risks specific to the Group*The business of the Group requires licenses and permits*

The Group operates in a business that requires permits and licenses to conduct business. The Company holds, through its subsidiaries, gaming licenses issued and regulated by the Maltese gaming authority as well as local licenses in Denmark, Estonia, Georgia, Ireland, Italy, Latvia, Lithuania and United Kingdom.

The Group is dependent on maintaining its licenses and permits to be able to conduct its business, and will possibly need to obtain new licenses and/or permits in other jurisdictions in the future. If so, there is a risk that it will be time-consuming to renew existing licenses and permits and apply for new licenses and permits and that a diversion of management's attention from existing core business will occur. If the Group is unable to obtain or retain necessary licenses and/or permits, there is a risk that it will have a material negative impact on the Group's operations, earnings and financial position.

Insufficient measures in countries where gaming services are prohibited

In certain countries it is prohibited to provide gaming services, and in some cases it is prohibited for the customers to participate in online gaming activities even though the gaming operator is located in another country where it has legally been granted a license. There is a risk that local authorities or courts in such countries impose fines or other sanctions on the Group or its partners and that such fines and sanctions will have a material negative impact on the Group's operations, earnings and financial position.

Risks related to recent acquisitions

From time to time, the Group evaluates potential acquisitions that are in line with the Group's strategic objectives and the Group has also made such acquisitions in the past. There is a risk that there are unidentified risks in recently acquired companies which are unknown to the Group. There is a risk that such unidentified risks will have a material negative impact on the Group's operations, earnings and financial position.

Future acquisitions may also include undertakings by the Group to pay additional purchase price to the sellers. There is a risk that such additional payments will have a material negative impact on the financial position of the Group.

There is a risk that future acquisition activities will present certain financial, managerial and operational risks, including difficulties when integrating or separating businesses from existing operations and challenges deriving from acquisitions which do not achieve sales levels and profitability that justify the investments made by the Group. If the ongoing or future acquisitions are not successfully integrated, there is a risk that it will have a negative impact on the Group's operations, earnings and financial position. Also, there is a risk that future acquisitions will result in dilutive issuances of the Group's equity securities, the incurrence of debt, contingent liabilities, amortisation costs, impairment of goodwill or restructuring

charges. Therefore, there is risk that acquisitions will have a material negative impact on the Group's operations, earnings and financial position.

Technical risks associated with the market and changes in customer behaviour

In order to maintain the popularity of the products and services offered by the Group, which is important for attracting and retaining customers, the products and services provided (including the technical platforms and systems) must be updated on an ongoing basis. The customers of the Group include both end-users (i.e. consumers) and other gaming companies. There are also changes in the customer behaviour and preferences over time, which requires updated offerings by the Group. A challenge is, thus, to follow the changes in customer behaviour and to adapt the services to meet the customers' demands, especially in relation to online gaming. Should the Group fail to develop or purchase products and services that meet the customer demands, there is a risk that the Group will lose business and revenues to its competitors and that this will have a material negative impact on the Group's operations, earnings and financial position.

Furthermore, there is a risk that the Group will need to allocate considerable resources to upgrade and replace the current technology systems should new technology be developed and introduced on the market. If the Group is unable to adapt to such technological advances in a cost effective and prompt way, there is a risk that it will have a material negative impact on the Group's operations, earnings and financial position.

Payment solutions

In order for customers to participate in the Group's online games they are required to register and open an account with the Group. In order for customers to be able to deposit money into their accounts, there is a need for the Group to have payment solutions in place that suits their customers' needs and preferences, which can vary in different countries and between customers of different ages. Technical standards and solutions can also differ between countries. Deposits can be made in different currencies through, inter alia, debit/credit cards and bank transfers. It is also important that it is easy for the customers to withdraw cash from their accounts. If the Group fails to offer the payment solutions and withdrawal methods preferred by existing and potential customers there is a risk that the customer will use the services provided by the Group less frequently or not at all, and that this will have a material negative impact on the Group's operations, earnings and financial position.

Furthermore, the Group is dependent on the acceptance of payments for online gaming by credit card companies, banks and other financial institutions in order to provide its services towards their customers. Should there be a breakdown in these services, even for a short period of time, or if any of the large credit card companies, banks or other financial institutions were to no longer handle payments for online gaming in any or all of the countries in which the Group has customers, there is risk that this will have a material negative impact on the Group's operations, earnings and financial position.

Anti-money laundering and fraud

The Group handles a large number of financial deposits and payments within the ordinary course of business, and is therefore exposed to risks relating to money laundering and fraud. There is a risk that the Group will be obliged to refund the transaction in the event the Group becomes subject to fraudulent activities, such as if a bank or credit card is used by an unauthorised third party. Such refunds, or similar payments, may lead to increased costs. Further, if the Group fails to detect money laundering activities there is a risk that this will lead to fines and sanctions imposed by authorities, or even licenses being revoked. If any of these risks would materialise, there is risk that it will have a material negative impact on the Group's operations, earnings and financial position.

Match-fixing and fraudulent gaming

The Group offers sports betting and is therefore exposed to the risk of customers, or others, trying to manipulate the results of the games. Further, the Group is exposed to risks relating to customers trying to manipulate e.g. poker games by using algorithms or other illegal methods. There is a risk that the Group will be obliged to refund the losing customers in the event the Group becomes subject to such fraudulent activities. Such refunds, or similar payments, may lead to increased costs. In addition, fraudulent activities may also cause significant reputational damage to the Group. Consequently, there is a risk that such fraudulent activities will have a material negative impact on the Group's operations, earnings and financial position.

Risk relating to the Group's IT-systems

The Group is dependent on the functionality of its IT-systems, such as its platforms and IT infrastructure. The Group has developed its own online gaming platform (including its sports betting platforms), which is integrated with different gaming suppliers. Further, the Group has developed its own payment handling platform. The Group's systems can suffer from shutdown. This can be a result of many different reasons, and can be both within and beyond the Group's control. In the event of shutdown, the Group's sites or products can be partially or completely inaccessible to end users. There is a risk that potential interference or technical problems will have a material negative impact on the Group's operations, earnings and financial position.

Games and other software important to the Group are developed both by the Group internally, as well as by third parties. Open source code has been used to some extent when developing software, which creates certain limitations and obligations. There is a risk that the open source code used, at present or in the future, will limit the Group's right to use software, or that it limits the Group's ownership of developed software. There is a risk that claims for ownership of software will have a material negative impact on the Group's operations, earnings and financial position.

Processing of personal data

The Group registers, processes, stores and uses personal data in the course of its business on servers owned by the Group, located in Malta. It is of high importance that the Group registers, processes and uses personal data in accordance with applicable personal data legislation and requirements. Non-compliance with applicable data protection legislation could result in fines. Notable is also that a new European Union regulation regarding personal data will enter into force in 2018. The new regulation will include stricter sanctions for breach of the regulation, and the fines may amount to the higher of MEUR 20 and four per cent of the global turnover of the Group. There is a risk that such fines will have a negative impact on the Group's operations, earnings and financial position.

Trademarks and domain names

The Group is currently offering its online gaming services through a number of websites which are of particular importance for the business. Trademarks and domain names are important parts of the Group's business as they are essential to attract users and create revenue to the gaming websites. The domains used by the Group are either owned by the Group or controlled via agreements entered into with third parties. Should it turn out that some of the domain names upon which the Group is depended, are not owned or controlled by the Group via agreements with third parties, there is a risk that the future use of the domain names is not properly secured and that the Group will lose important domains in the future, and that this will have a negative impact on the Group's, operations, earnings and financial position.

The Group is also exposed to the risk of lost market appeal. A decline in the market appeal of the Group (including its brands) may derive from, amongst other things, a poor product offering, negative publicity concerning the brands or the gaming market in general (whether or not it is justifiable) or lack of investments in the products in order to keep them updated and attractive for the customers. There is a risk that failure to build and maintain the Group's brand perception will have a negative impact on the Group's operations, earnings and financial position.

Further, there is a risk that competitors or other third parties unlawfully seek to use or infringe the Group's intellectual property rights. In addition, there is also a risk that a third party asserts, and acquires, better rights to intellectual property rights used by the Group, which could result in disputes regarding the relevant intellectual property rights. There is a risk that such infringements and disputes will have a material negative impact on the Group's operations, earnings and financial position.

Dependency on cooperation partners, service providers and agreements with competitors

The Group has entered into agreements with several suppliers within gaming and payment solutions, which are of significant importance for the Group. There is a risk that such suppliers do not fulfil their obligations towards the Group or that the agreements with such suppliers are

terminated by the counterparties, and that this will have a material negative impact on the Group's operations, earnings and financial position.

In addition, the Group has entered into agreements with companies that provide so called affiliate services. Such companies direct traffic (i.e. potential revenue) to the websites operated by the Group. If these companies are unsuccessful in their marketing, there is a risk that it will have a material negative impact on the Group's operations, earnings and financial position.

Further, the Group offers platform solutions to business customers in Iceland, the Netherlands and Germany, through partnership agreements. In the Netherlands and Germany, the customers are also competitors to the Group. In addition, the Group develops solutions that may be licensed to third parties, who potentially may become competitors to the Group. There is a risk that these customers will terminate their agreements in order to avoid contributing to the Group's competing business. If several of these customers choose to terminate the agreements, either for competition or other reasons, there is a risk that it will have a material negative impact on the Group's operations, earnings and financial position.

As some of the business customers are the Group's competitors, competition legislation has to be followed when handling information about competitors. Should there be an information leakage whereby applicable competition laws are breached, there is a risk that this will have a material negative impact on the Group's operations, earnings and financial position.

Turkish legislation

The Group is exposed to the Turkish gaming market through a partnership agreement with Realm Entertainment Ltd, based in Malta, which accounted for 12 % of the total revenue in the third quarter 2016. Turkey introduced legislation against internet gaming in 2007 and reinforced parts of this legislation in 2013. The objective of the legislation was primarily to protect the domestic nationalised gaming monopoly. Some of Realm Entertainment Ltd's revenue derives from players in Turkey. Pursuant to the legal situation described, income originating from Turkey can be regarded to comprise a higher operational risk than income from other markets. There is a risk that further Turkish legislation is introduced against internet gaming, such as IP-blocking of gaming websites or payment blocks on payments from Turkish banks to gaming providers, which would hinder Realm Entertainment Ltd's operations in Turkey. Hence, there is a risk that such legislation will have a material negative impact on the Group's operations, earnings and financial position.

Dependency on key employees

The Group is dependent on the knowledge, experience and commitment of its employees, and to some extent consultants, for continued development. Furthermore, there is an ongoing need of recruiting and retaining staff with a high level of technical experience and expertise of the online gaming industry and the development of games and related technology. The Group is also dependent on key individuals at management level. If the Group fails to recruit or

maintain key employees, there is a risk that it will have a material negative impact on the Group's operations, earnings and financial position.

Disputes and litigations

There is a risk that the Group will become involved in disputes or subject to other litigation in the future. For instance, people who suffer from an addiction to gaming may sue companies within the Group as a result of their gaming abuse and there is a risk that such claims will give rise to substantial legal costs and possibly also negative publicity for the Group, which by extension impose a risk of leading to a reduction in earnings. Also, there is a risk that cooperation agreements with partners and customers will result in legal disputes and applications for summons. There is risk that any such future disputes will have a material negative impact on the Group's operations, earnings and financial position.

Insurance cover

There is a risk that the scope of the existing insurance coverage of the Group will not cover all risks that materialise within the Group's business resulting in the total amount of the Group's losses not being compensated by the Group's insurances in case of damages. Further, certain types of losses are not able to insure and will, thus, not be covered by the Group's insurances. Hence, there is a risk that the Group will be required to pay for any losses, damages and liabilities. There is a risk that such losses, damages and liabilities will have a material negative impact on the Group's operations, earnings and financial position.

Transaction and exchange rate risks in the cash flow, income statement and balance sheet

The Group reports in one currency but has other currencies as functional currencies. As the exchange rates fluctuates, these fluctuations lead to a transaction exposure as the transactions made in other currencies than the reporting currency needs to be recalculated into the reporting currency. There is a risk that fluctuations in the exchange rates will have a material negative impact on the Group's operations, earnings and financial position.

Liquidity risk

The Group bears a liquidity risk in its online gaming business as its gaming licenses requires it to hold enough cash reserves to be able to transfer the customers' player balances back to the customers when so required by the customers. In addition, the Group is also required to hold enough cash reserves for possible price money, such as jackpots. Should the Group fail to hold enough reserves, there is a risk for reputational damage as customers to the Group will be unable to make withdrawals. Further, the Group needs to hold enough funds to cover player and jackpot liabilities to retain their license in Malta. If the Group is not able to hold enough funds, there is a risk that it will have a material negative impact on the Group's operations, earnings and financial position.

Risks regarding “pooled jackpots”

The Group provides games with “pooled jackpots”. The pooled jackpots are financed by several gaming providers and are based on the result for a certain game, and the responsibility to pay out such pooled jackpots shall in accordance with the terms of the game remain with the gaming provider that offset the amount. There is a risk that a gaming provider could, due to financial difficulties or otherwise, be unable to pay out a pooled jackpot amount resulting in negative publicity for the Group, and that this will have a material negative impact on the Group’s operations, earnings and financial position.

Tax-related risks

The Group conducts business mainly through its subsidiaries in Malta, Gibraltar, Georgia and Sweden. There is a risk that the Group’s interpretation of applicable laws, provisions and judicial practice with respect to tax will be proved to be incorrect or that such laws, provisions and practice will be changed with retroactive effect. Furthermore, there is a risk that new legislation or changes in legislation or practice or tax authorities’ challenge of the Group’s interpretation of applicable laws will lead to an increase in the Group’s tax liabilities and/or lead to sanctions by the tax authorities, and, thus, have a material negative impact on the Group’s operations, earnings and financial position.

Risks relating to the redemption of shares of series C

The articles of association of the Company contains a provision that allows owners of shares of series C and the board of directors of the Company to redeem such shares, provided that the share capital of the Company stays above the minimum. In connection with a redemption of shares of series C, the price per share shall be calculated in accordance with the provisions in the articles of association of the Company. As of today the Company is in possession of all shares of series C. If the Company does not stay in possession of the shares of series C, there is a risk that a new owner of such shares will request to redeem the shares, resulting in a reduction of the Company’s share capital and the unrestricted equity of the Company. There is a risk that redemption of shares of series C will have a material negative impact on the Group’s operations, earnings and financial position.

Seasonality

The Group is exposed to seasonal variations, mainly relating to the sport events calendar. Thus, the main activity in the Group’s sportsbook is in the third and fourth quarter. These seasonal variations are, to some extent, beyond the Group’s control and can significantly affect the Group’s operations. There is a risk that seasonal variations will have a material negative impact on the Group’s operations, earnings and financial position.

Risks relating to “unlikely winners”

Through the Group’s sports betting offering, the Group is exposed to risks relating to “unlikely winners”. The betting on, for example, a football game is divided in different odds, based on

the probability in the result. A more unlikely outcome has higher odds (i.e. higher returns) than a more probable outcome. Should an unpredictable number of customers bet on unlikely winners, or should an unpredictable amount of game results with unlikely outcomes, and should the Group's internal monitoring systems fail to detect any unusual or abnormal betting patterns, the Group will be obliged to pay out higher prizes to its customers betting on such games than expected. There is a risk that such unlikely winners will have a material negative impact on the Group's operations, earnings and financial position.

Risks relating to the Bonds

Credit risks

Investors in the Bonds carry a credit risk towards the Group. The investor's ability to receive payment under the Bonds is therefore dependent on the Company's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned above.

There is a risk that an increased credit risk will cause the market to charge the Bonds a higher risk premium and that such higher premium will have an adverse effect on the value of the Bonds. Another aspect of the credit risk is that there is a risk that any deterioration in the financial position of the Group will entail a lower credit-worthiness and that the possibility for Betsson to receive financing will be impaired when the Bonds mature.

Refinancing risk

Betsson may be required to refinance certain or all of its outstanding debt, including the Bonds. Betsson's ability to successfully refinance its debt depends, among other things, on the conditions of the debt capital markets and its financial condition at such time. Even if the debt capital markets improve, there is a risk that Betsson's access to financing sources will not be available on acceptable terms, or at all. Should the Company be unable to refinance its debt obligations on acceptable terms, or at all, it could have a have a material negative impact on the Group's operations, earnings and financial position and bondholders' recovery under the Bonds.

Ability to comply with the Terms and Conditions

The Group is required to comply with the Terms and Conditions, inter alia, to pay interest under the Bonds. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Group's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Bonds, resulting in that the Company has to repay the bondholders at the applicable call premium. It is possible that the Company will not have sufficient funds at the time of the repayment to make the required redemption of Bonds.

Interest rate risks

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. Investments in the Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates.

Liquidity risks and secondary market

Pursuant to the Terms and Conditions the Company must use its best effort to list the Initial Bonds on the corporate bond list of Nasdaq Stockholm within 30 calendar days from the First Issue Date, and there is an obligation to list the Initial Bonds on the corporate bond list of Nasdaq Stockholm no later than 60 calendar days from the First Issue Date. However, there is a risk that the Bonds will not be admitted to trading. Even if the Bonds are admitted to trading on the aforementioned market, active trading in the Bonds does not always occur and a liquid market for trading in the Bonds might not occur even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market.

Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if the Bonds are admitted for trading on Nasdaq Stockholm. It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, the global financial markets have experienced significant price and volume fluctuations in the past. Should this be repeated in the future there is a risk that it will adversely affect the market price of the Bonds without regard to the Group's operating results, financial condition or prospects.

Ability to service debt

The Company's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is

a risk that the Group will not be able to affect any of these remedies on satisfactory terms, or at all. This would have a negative effect on the Group's operations, earnings, results and financial position.

Risks relating to the Bonds being unsecured

The Bonds represents an unsecured obligation of the Company. If the Company is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, all of the Company's secured obligations must first be satisfied, potentially leaving little or no remaining assets in the Company for the bondholders. As a result, the bondholders may not recover any or full value.

The Company is dependent on its subsidiaries

A significant part of the Group's assets and revenues relate to the Company's subsidiaries. Accordingly, the Company is dependent upon receipt of sufficient income and cash flow related to the operation of and the ownership in the subsidiaries to enable it to make payments under the Bonds. Consequently, the Company is dependent on the subsidiaries' availability of cash, and their legal ability to make dividends which may from time to time be limited by corporate restrictions and law. Should the Company not receive sufficient income from its subsidiaries, the investor's ability to receive payment under the Terms and Conditions may be adversely affected.

Structural subordination and insolvency of subsidiaries

In the event of insolvency, liquidation or a similar event relating to one of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the subsidiaries. The Group and its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

Security over assets granted to third parties

The Group may, subject to limitations, incur additional financial indebtedness and provide security for such indebtedness. In the event of bankruptcy, reorganisation or winding-up of the Company, the bondholders will be subordinated in right of payment out of the assets being subject to security. In addition, if any such third party financier holding security provided by the Group would enforce such security due to a default by any company within the Group under the relevant finance documents, such enforcement could have a material adverse effect on the Group's assets, operations and ultimately the position of the bondholders.

Currency risks

The Bonds will be denominated and payable in SEK. If bondholders in the Bonds measure their investment return by reference to a currency other than SEK, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the SEK relative to the currency by reference to which investors measure the return on their investments. This could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to investors when the return on the Bonds is translated into the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Company to make payments in respect of the Bonds. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal.

Majority owner

Following any potential change of control in the Company, the Company may be controlled by majority shareholder whose interest may conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event was to arise, it could have a material negative impact on the Group's operations, earnings and financial position. According to the Terms and Conditions, if a change of control event occurs, the bondholders have however a right of prepayment of the Bonds (put option). There is thus a risk that the Company does not have enough liquidity to repurchase the Bonds if the bondholders use its right of prepayment.

Put options

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put options) if (i) the Bonds are not admitted to trading on Nasdaq Stockholm within 60 days from the First Issue Date, (ii) the Bonds cease to be listed on Nasdaq Stockholm, (iii) the shares of the Company cease to be listed on Nasdaq Stockholm or any Regulated Market replacing Nasdaq Stockholm, or (ii) any person or group of persons acting in concert gains control over the Company and where "control" means (a) controlling, directly or indirectly, more than 50% of the voting shares of the Company, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of

directors of the Company, and where “acting in concert” means, a group of persons, who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition, directly or indirectly, of shares in the Company by any of them, either directly or indirectly, to obtain or consolidate control of the Company. There is, however, a risk that the Company will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds and that such lack of funds will adversely affect the Company, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the option.

No action against the Company and bondholders' representation

In accordance with the Terms and Conditions, the Agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Company. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Company and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, will bring its own action against the Company (in breach of the Terms and Conditions for the Bonds), and that such action will negatively impact the possibility to accelerate the Bonds or take other action against the Company.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. There is a risk that failure of all bondholders to submit such a power of attorney will negatively affect the legal proceedings. Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, there is a risk that the actions of the Agent in such matters will impact a bondholder's rights under the Terms and Conditions in a manner that is undesirable for some of the bondholders.

The rights of bondholders depend on the Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the appointment of the Agent (being on the First Issue Date Intertrust (Sweden) AB) to act on its behalf and to perform administrative functions relating to the Bonds. The Agent shall have, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the holders of the Bonds will be subject to the provisions of the Terms and Conditions, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will adversely affect the enforcement of the rights of the bondholders.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent with commercially acceptable terms or at all. Further, there is a risk that the successor Agent would breach its obligations under the above documents or that insolvency proceedings would be initiated against it.

There is a risk that materialisation of any of the above risks will have a material adverse effect on the enforcement of the rights of the bondholders and the rights of the bondholders to receive payments under the Bonds.

Bondholders' meetings

The Terms and Conditions include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting. Consequently, there is a risk that the actions of the majority in such matters will impact a bondholder's rights in a manner that is undesirable for some of the bondholders.

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Company has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country's securities laws. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired. Restrictions relating to the transferability of the Bonds could have a negative effect for some of the bondholders.

Risks relating to the clearing and settlement in Euroclear Sweden AB's book-entry system

The Bonds will be affiliated to Euroclear Sweden AB's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds is carried out within Euroclear Sweden AB's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear Sweden AB's account-based system and there is a risk that any problems thereof will have an adverse effect on the payment of interest and repayment of principal under the Bonds.

Conflict of interests

The Bookrunners may in the future engage in investment banking and/or commercial banking or other services for the Group in the ordinary course of business. Accordingly, conflicts of

interest may exist or may arise as a result of the Bookrunners having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests. There is a risk that such conflicts of interest will adversely affect the Group's ability to renew or maintain existing financing or obtain further financing and in turn have a material negative impact on the Group's operations, earnings and financial position.

Responsible for the information in the Prospectus

The Company issued the Bonds on 28 November 2016. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Bonds on Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act, each as amended.

The Company is responsible for the information given in this Prospectus. The Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the actual conditions and that no information has been omitted which may distort the picture of the Company. The information in the Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Company is aware and can judge on basis of other information made public by the respective third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect.

The board of directors is responsible for the information given in this Prospectus only under the conditions and to the extent set forth in Swedish law. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Stockholm on 20 December 2016

BETSSON AB (PUBL)

The board of directors

The Bonds in brief

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference (see below section “Overview of financial reporting and documents incorporated by reference”) and the full Terms and Conditions for the Bonds, which can be found in section “Terms and Conditions for the Bonds”, before a decision is made to invest in the Bonds.

Concepts and terms defined in section “Terms and Conditions for the Bonds” are used with the same meaning in this section unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus.

The Bonds are debt instruments (Sw. *skuldförbindelser*), intended for public market trading, which confirm that each bondholder has a claim against the Company. The Board of Directors of the Company resolved to issue the Bonds on 7 November 2016. The purpose of the Bond Issue was to raise funds to facilitate the Company’s acquisition strategy, refinance debt and general corporate purposes of the Group. The First Issue Date for the Bonds was 28 November 2016. The Bonds will mature on 28 November 2019.

The aggregate nominal amount of the Bonds is maximum SEK 2,000,000,000 represented by Bonds denominated in SEK with SE 0009320617, each with a Nominal Amount of SEK 1,000,000. The Bonds were issued at a price equal to 100 per cent of the Nominal Amount. As of the date of this Prospectus, SEK 1,000,000,000 of the bond loan has been issued.

The Bonds have been issued in accordance with Swedish law and are connected to the account-based system of Euroclear. This means that the Bonds are registered on behalf of the bondholders on a securities account (Sw. *VP-konto*). No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding of preliminary tax will be made through Euroclear’s book-entry system. The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Company and without any preference among them.

The Company shall redeem all outstanding Bonds at 100 per cent of the Nominal Amount together with accrued but unpaid interest on the Final Maturity Date, unless previously redeemed or repurchased and cancelled in accordance with Clause 8 (*Redemption and Repurchase of the Bonds*).

The Company may choose to redeem all, but not only some, of the outstanding Bonds in full on any Business Day prior to the Final Maturity Date at a redemption price equal to (i) the Make Whole Amount or, (ii) if the Bonds are redeemed in full by way of one or several Market Loan issues, at any time from and including the date falling 33 months after the First Issue Date to, but excluding, the Final Maturity Date, at an amount equal to 100 per cent of the

Nominal Amount, together with accrued but unpaid interest in accordance with Clause 8.3(*Voluntary total redemption*) of the Terms and Conditions.

Upon a Change of Control Event or Listing Failure Event, each bondholder has a right of prepayment (put option) of its Bonds at a price of 101 per cent of the Nominal Amount together with accrued but unpaid interest in accordance with Clause 8.4 (*Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)*) of the Terms and Conditions.

Payment of the Nominal Amount and/or interest will be made to the person who is a bondholder on the Record Date immediately preceding the relevant payment date. Payments shall be made in SEK. The right to receive payment of the Nominal Amount is time-barred and becomes void ten years from the relevant Redemption Date, unless the limitation period is duly interrupted.

Each Initial Bond bears interest from, but excluding, the First Issue Date up to, and including, the relevant Redemption Date at a rate of STIBOR (3 months) plus 3.50 per cent per annum. STIBOR means either (a) the applicable percentage rate per annum displayed on NASDAQ Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

Interest is paid quarterly in arrears on each Interest Payment Date and is calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360. The Interest Payment Dates are 28 February, 28 May, 28 August and 28 November each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date being on 28 February 2017 and the last Interest Payment Date being the relevant Redemption Date). The right to receive payment of interest is time-barred and becomes void three years from the relevant due date for payment, unless the limitation period is duly interrupted.

Intertrust (Sweden) AB is initially acting as agent for the bondholders in relation to the Bonds, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. Even without a separate authorisation from the bondholders and without having to obtain any bondholder's consent (if not required to do so under the Terms and Conditions), the Agent, or a person appointed by the Agent, is entitled to represent the bondholders in every

matter concerning the Bonds and the Terms and Conditions. The Agent is authorised to act on behalf of the bondholders whether or not in court or before an executive authority (including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Bonds). Each bondholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), as the Agent deems necessary for the purpose of carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a bondholder which does not comply with such request of the Agent.

Each of the Company and the bondholder(s) representing at least 10 per cent of the Adjusted Nominal Amount, may request that a bondholders' Meeting is convened (see further Clause 15 (*Bondholders' Meeting*) of the Terms and Conditions) or request a Written Procedure (see further Clause 16 (*Written Procedure*) of the Terms and Conditions). Such bondholders' Meeting or Written Procedure may, upon votes representing a relevant majority of bondholders eligible for voting, cause resolutions to be validly passed and binding on all bondholders.

An agreement has been entered into between the Agent and the Company regarding, *inter alia*, the remuneration payable to the Agent. The rights, obligation and the representation of the Agent are set forth in the Terms and Conditions which are available at the Company's web page www.betssonab.com.

If the Bonds have been duly declared due and payable due to an Event of Default, the available funds shall firstly be applied towards payment of all fees, costs, expenses and indemnities payable by the Issuer to the Agent under the Terms and Conditions and the Agency Agreement, secondly in or towards payment pro rata of accrued but unpaid Interest under the Bonds, thirdly in or towards payment pro rata of any unpaid principal under the Bonds and fourthly in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Terms and Conditions. Any excess funds shall be transferred to the Company.

The Bonds are freely transferrable and trading can occur from the First Issue Date. Bondholders may, however, be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a bondholder may be subject (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) for business). Each bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense. All Bond transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Bond transferees upon the completion of a transfer.

To simplify trading in the Bonds, the Company intends to apply for listing of the Bonds on Nasdaq Stockholm in connection with the Swedish Financial Supervisory Authority's approval of this Prospectus. The number of Bonds being admitted to trading if the application is approved by Nasdaq Stockholm is 1,000. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 23 December 2016. Subsequent Bonds issued within the

framework amount of SEK 2,000,000,000 under the Terms and Conditions may be admitted to trading pursuant to this Prospectus within one year after the approval of this Prospectus by the Swedish Financial Supervisory Authority. The fact that an application regarding listing of the Bonds on Nasdaq Stockholm has been submitted does not mean that the application will be approved. The total expenses of the admission to trading of the Bonds are estimated to amount to SEK 150,000.

The Terms and Conditions include an undertaking by the Company to ensure that the Initial Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market within 60 days after the First Issue Date and that the Bonds, once admitted to trading on the relevant Regulated Market, continue being listed thereon for as long as any Bond is outstanding. Further, the Company intends to complete such listing within 30 days after the First Issue Date.

The Company and its operations

Introduction

Betsson AB (publ) is a public limited liability company registered in Sweden with registration number 556090-4251, having its registered address at Regeringsgatan 28, SE-111 53, Stockholm, Sweden. The Company was formed on 2 December 1963 and registered with the Swedish Companies Registration Office on 13 December 1963. The Company is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) and the Swedish Annual Accounts Act (Sw. årsredovisningslagen (1995:1554)).

Share capital, shares, ownership structure as well as governance

According to its articles of association, the Company's share capital shall be no less than SEK 40,000,000 and not more than SEK 160,000,000 divided into no less than 140,000,000 shares and not more than 560,000,000 shares. The Company's current share capital amounts to SEK 96,328,825 divided among 144,493,238 shares, of which 16,260,000 shares are shares of series A, 122,155,730 shares are shares of series B and 6,077,508 shares are shares of series C. The shares of series B and C entitle the holder to one vote per share and the shares of series A entitle the holder to ten votes per share. The shares are denominated in SEK.

The Company is the parent company in the Group and has several direct and indirect subsidiaries in different countries, of which all are wholly-owned. A significant portion of the business is carried out through subsidiaries. In fact, the majority of the revenues of the Group come from its operational subsidiaries. Consequently, the Company is dependent upon such subsidiaries.

As of 30 September 2016, the Company had 42,237 shareholders. As at the same date, the largest shareholders of the Company were Per Hamberg and companies with 3.08 per cent of the share capital and 18.0 per cent of the votes, the Knutsson family and companies with 5.1

per cent of the share capital and 11.0 per cent of the votes and the Lundström family and companies with 3.2 per cent of the share capital and 9.6 per cent of the votes in the Company. To ensure that the control over the Company is not misused, the Company complies with the Swedish Companies Act and the Swedish Code of Corporate Governance. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Company.

Business and operations

The main operations of the Company consist of the ownership and administration of shareholdings in companies which, on their own or through partnerships, operates online gaming sites. The Group offers Casino, Sportsbook, Poker, Scratch cards, Bingo and other games to its customers, which are primarily from the Nordic countries and other parts of Europe. Betsson's vision is to provide the best customer experience in the industry.

Betsson is a multi-brand operator and the portfolio of the Group currently consists of 21 different brands across Europe, Central Asia and Latin America, such as Betsafe, NordicBet and CasinoEuro. The Company's delivery of the multi-brand strategy is done primarily through the proprietary and in-house developed gaming software platform called Techsson. Techsson contains all the functionality required to run multiple gaming sites, such as functionality for account management, payments, bonus management, mobile solutions etc.

Betsson's strategy going forward is to continue to grow the business of the Group organically and through acquisitions, both within and outside the EU.

Legal considerations and supplementary information

Litigation

During the previous twelve months, the Company has not been and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability. However, the Company is from time to time involved in legal proceedings in the ordinary course of business.

Material agreements

No Group company is party to any material agreement outside the ordinary course of business which could result in such company having a right or an obligation that could materially affect the Company's ability to meet its obligations to the bondholders.

Credit rating

Neither the Company nor the Bonds have a credit rating from an international credit rating institute.

Significant adverse changes and recent events

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report and no significant change in the financial or market position of the Group since the end of the last financial period for which interim financial information has been published.

During the third quarter of 2016, the Group acquired the privately owned gaming operator Lošimų strateginė grupė, UAB, trading as TonyBet in Lithuania. The purchase price comprises an upfront cash payment of EUR 4.0 million and an earn-out of a maximum of EUR 2.0 million subject to certain milestones being achieved.

During the fourth quarter of 2016, the Company acquired the horse betting operator RaceBets, with licenses in Germany, Ireland, Malta and the UK. The purchase price comprises an upfront cash payment of EUR 34.0 million and an earn-out of a maximum EUR 6.0 million subject to achieving certain financial and non-financial milestones. Closing of the transaction is expected to occur in the beginning of 2017 subject to certain regulatory approvals.

Except for the foregoing and the issuance of the Bonds, there have been no recent events particular to the Company which are to a material extent relevant to the evaluation of the Company's solvency.

Shareholders' agreements

To the Company's knowledge, there are no shareholders' agreements or other agreements between the Company's shareholders which could result in a change of control of the Company.

Board of directors, senior management and auditors

The business address for all members of the board of directors and the senior management is: Betsson AB (publ), Regeringsgatan 28, SE-111 53, Stockholm, Sweden. The board of directors of the Company currently consists of six members. Information on the members of the board of directors and the senior management, including significant assignments outside the Company which are relevant for the Company, is set forth below.

Board of directors*Pontus Lindwall*

Born in 1965 and Chairman of the Company. Lindwall has a Master of Science degree in civil engineering from the Royal Institute of Technology. Lindwall has many years of experience in the gaming industry, both in offline and online gaming, including founder of Net Entertainment and Group President and Chief Executive Officer of Cherryföretagen.

Lindwall is currently the Chairman of Mostphotos AB and a member of the board of directors of NetEnt AB (publ), Nya Solporten Fastighets Aktiebolag and several companies within the Group.

Lindwall holds 30,000 shares of series A and 1,433,782 shares of series B in the Company (including holding through related parties).

Lars Linder-Aronson

Born in 1953 and member of the board of directors of the Company. Linder-Aronson has a degree in business and economics from the Stockholm School of Economics. Linder-Aronson has many years of experience of the financial and capital markets, primarily within investment banking in London, New York and Stockholm. Lars was previously Head of Enskilda Securities and has worked in the investment bank Dillion, Read & Co.

Linder-Aronson is currently the Chairman of AB Svensk Exportkredit, Chief Executive Officer and member of the board of directors of Facility Labs AB and member of the board of directors of e-capital AB and Morco Förvaltning AB.

Linder-Aronson holds 152,835 shares of series B in the Company (including holdings through companies and related parties).

Patrick Svensk

Born in 1966 and member of the board of directors of the Company. Svensk has a degree in business and economics from the Stockholm School of Economics. Svensk has experience from various management positions in listed companies. Patrick has been the Chief Executive Officer and Group President of Zodiac Television and Chief Executive Officer of Kanal 5 and TV3 Sweden.

Svensk is currently a member of the board of directors of Bright Group Nordic and Svensk Media Group AB.

Svensk holds 5,000 shares of series B in the Company.

Kicki Wallje-Lund

Born in 1953 and a member of the board of directors of the Company. Wallje-Lund has experience of business and operational development from various international companies in which she has primarily worked within the bank and finance areas. Wallje-Lund has held senior positions within NCR, Digital Equipment, AT&T, Philips, ICL and Unisys.

Wallje-Lund is currently the Chief Executive Officer and member of the board of directors of Wellnet AB and member of the board of directors of C-RAD AB.

Wallje-Lund holds 1,350 shares of series B in the Company.

Jan Nord

Born in 1955 and member of the board of directors. Nord has studied at the University of Stockholm. Nord is a Creative Director with focus on brand strategy and has many years of international experience with the overall creative responsibility at H&M and Esprit during the last fifteen years. Before that Nord ran the advertising agency Nord & Co.

Nord is currently a member of the board of directors of Svenska Brassier AB.

Martin Wattin

Born in 1974 and member of the board of directors. Wattin has a Master of Finance from the University of Colorado. Wattin has many years of experience from online business as entrepreneur and investor. Wattin also has a history as member of the board of directors of Cherry AB. Wattin founded the IT-company Contur Software AB, which was acquired by Accelrys Inc in 2011 and has since then worked with his own investments.

Wattin is currently the Chief Executive Officer of Inbox Capital AB, the Chairman of Rabble Communication and a member of the board of directors of Apotekslinsen AB, Smart Payments Nordic AB and Mostphotos AB.

Wattin holds 23,160 shares of series B in the Company (including holdings through companies and related parties).

Senior management

Ulrik Bengtsson

Bengtsson has a Bachelor of Commerce from Dalhousie University. He assumed the position as Chief Executive Officer of BML Group Ltd in 2012 and the position as Chief Executive Officer and President of the Company in 2016. Before joining the Company, he was the Chief Executive Officer of MTG's pay-TV operations in Eastern Europe, and before that Chief Executive Officer of Viasat in Sweden. Bengtsson has also held a number of positions at Telenor and IBM.

Bengtsson holds 65,000 shares of series B, 380,000 employee stock options and 5,000 warrants in the Company.

Fredrik Rüdén

Rüdén has a LL.B. in business law and an MBA from Mälardalen University. He assumed the position as Chief Financial Officer in 2008. Before joining the Company, Rüdén had various positions at Ernst and Young, Industriförvaltnings AB Kinnevik, Hallvard Leröy AS and Teligent.

Rüdén holds 34,200 shares of series B (including holdings through related parties) and 195,000 warrants in the Company.

Pia Rosin

Rosin has a M.Sc. in Business and Economics from Lund University. She assumed the position as Vice President of Corporate Communication in 2016. Rosin has had various positions in corporate communications and investor relations. Previous jobs include IR Manager at the defence and security company Saab and Director of Corporate Communications and IR at Entraction, a provider of IT platforms for the gaming industry.

Rosin holds 500 shares of series B and 45,000 warrants in the Company.

Abby Cosgrave

Cosgrave has a bachelor's degree in Law & Politics and an LL.M in International Legal Practice. Cosgrave joined the Group in 2014 and assumed the position as Acting Group General Counsel in 2016. Cosgrave has previously worked as in-house counsel at NBC Universal Networks International and JD Sports Fashion.

Auditors

PricewaterhouseCoopers AB, with Michael Bengtsson as the auditor-in-charge from 12 May 2008 and Nicklas Renström as the auditor-in-charge from 8 May 2015, has been the Company's auditor for the entire period covered by the historical financial information incorporated into this Prospectus by reference. Michael Bengtsson and Nicklas Renström are members of FAR. The business address to PricewaterhouseCoopers AB is Torsgatan 21, SE-113 97 Stockholm, Sweden.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditors.

Conflicts of interests

Although several members of the board of directors and the senior management have a financial interest in the Company through their direct and indirect holdings of shares and other financial instruments in the Company, none of the members of the board of directors or the senior management of the Company has a private interest that may be in conflict with the interests of the Company.

Although there are currently no conflicts of interest, it cannot be excluded that conflicts of interest may come to arise between companies in which members of the board of directors and members of the senior management have duties, as described above, and the Company.

Overview of financial reporting and documents incorporated by reference

The accounting principles applied in the preparation of the Company's financial statements presented below are set out in the following and have been consistently applied during the presented period.

The historical financial information for the financial year ending 31 December 2014 and 31 December 2015, respectively, has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, RFR 1 (Sw. *Kompletterande redovisningsregler för koncerner*) and the Swedish Annual Accounts Act.

The Company's consolidated annual reports for the financial years ended 31 December 2014 and 31 December 2015, respectively, have been incorporated in this Prospectus by reference. The consolidated annual reports have been audited by the Company's auditor and the auditor's reports have been incorporated in this Prospectus through the consolidated annual reports for the financial year ended 31 December 2014 and 31 December 2015, respectively, by reference.

In this Prospectus the following documents are incorporated by reference. The documents have been made public and have been handed in to the Swedish Financial Supervisory Authority.

Reference	Document	Page(s) in the relevant report
Financial information regarding the Company and its business for the financial year ended 31 December 2014	Betsson's consolidated annual report for the financial year ended 31 December 2014	the consolidated income statement (page 23), the consolidated balance sheet (page 24), the consolidated cash flow statement (page 25) and notes (page 33-49)
Auditor's report for the financial year ended 31 December 2014	Betsson's consolidated annual report for the financial year ended 31 December 2014	Page 53
Financial information regarding the Company and its business for the financial year ended 31 December 2015	Betsson's consolidated annual report for the financial year ended 31 December 2015	the consolidated income statement (page 25), the consolidated balance sheet (page 26), the consolidated cash flow statement (page 27) and notes (page 33-51)
Auditor's report for the financial year ended 31 December 2015	Betsson's consolidated annual report for the financial year ended 31 December 2015	53

Investors should read all information which is incorporated in the Prospectus by reference. Information in the above documents which is not incorporated by reference is either deemed by the Company not to be relevant for investors in the Bonds or is covered elsewhere in the Prospectus. The documents can be obtained in paper format at the Company's head office and are also available at the Company's web page, www.betssonab.com.

Documents available for inspection

Copies of the following documents can be obtained from the Company in paper format during the validity period of this Prospectus at the Company's head office and are also available at the Company's web page, www.betssonab.com.

- The articles of association and certificate of incorporation of the Company
- Betsson's consolidated annual report for the financial year ended 31 December 2014
- Betsson's consolidated annual report for the financial year ended 31 December 2015
- Betsson's subsidiaries audited annual reports for the financial years 2014 and 2015 (where applicable)

TERMS AND CONDITIONS**Betsson AB (publ)****Up to SEK 2,000,000,000****Senior Unsecured Floating Rate Bonds****ISIN: SE 0009320617**

First Issue Date: 28 November 2016

Other than the registration of the Bonds under Swedish law, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Company or the Bonds in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Company to inform themselves about, and to observe, any applicable restrictions.

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1 Definitions and Construction

1.1 Definitions

In these terms and conditions (the "**Terms and Conditions**"):

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

“**Accounting Principles**” means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time/as in force on the First Issue Date (as applicable)).

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate of the Issuer, irrespective of whether such person is directly registered as owner of such Bonds.

“**Advance Purchase Agreement**” means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts (however, not exceeding 90 days), or (b) any other trade credit incurred in the ordinary course of business.

“**Affiliate**” means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

“**Agency Agreement**” means the agency agreement entered into on or before the First Issue Date, between the Issuer and the Agent, regarding, *inter alia*, the remuneration payable to the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

“**Agent**” means Intertrust (Sweden) AB, Swedish Reg. No. 556625-5476, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Bond**” means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

“**Bondholder**” means the person who is registered on a Securities Account as direct registered owner (Sw. *ägare*) or nominee (Sw. *förvaltare*) with respect to a Bond.

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clause 15 (*Bondholders’ Meeting*).

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year’s Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

“**Business Day Convention**” means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

“**Change of Control Event**” means the occurrence of an event or series of events whereby (i) the shares of the Issuer cease to be listed on NASDAQ Stockholm or any Regulated Market replacing NASDAQ Stockholm, or (ii) any person or group of persons acting in concert gains control over the Issuer and where "control" means (a) controlling, directly or indirectly, more than 50% of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer, and where "acting in concert" means, a group of persons, who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition, directly or indirectly, of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer.

“**Compliance Certificate**” means a certificate, in form and substance satisfactory to the Agent, signed by the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it. The Compliance Certificate provided in connection with a Restricted Payment and/or incurrence of Financial Indebtedness which requires the fulfilment of the Incurrence Test shall include calculations and figures in respect of the applicable Incurrence Test.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

“**EBIDTA**” means, in respect of the Relevant Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;

- (c) before taking into account any exceptional, one off, non-recurring or extraordinary items, provided that such do not in aggregate exceed five (5) per cent. of EBITDA during the applicable Relevant Period;
- (d) before taking into account any Transaction Costs;
- (e) not including any accrued interest owing to any member of the Group;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (i) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (j) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

“**Event of Default**” means an event or circumstance specified in any of the Clauses 12.1 (*Non-Payment*) to and including Clause 12.9 (*Continuation of Business*).

“**Final Maturity Date**” means 28 November 2019.

“**Finance Charges**” means, for the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any member of the Group according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, capitalised interest in respect of any loan owing to any member of the Group and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.

“**Finance Documents**” means these Terms and Conditions, the Agency Agreement and any other document designated by the Issuer and the Agent as a Finance Document.

“**Financial Indebtedness**” means any financial indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;

- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)-(f).

“**Financial Instruments Accounts Act**” means the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479) om kontoföring av finansiella instrument*).

“**Financial Report**” means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available in accordance with Clause 9.1) (including when necessary, financial statements published before the First Issue Date).

“**First Issue Date**” means 28 November 2016.

“**Force Majeure Event**” has the meaning set forth in Clause 24 (a).

“**Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”).

“**Incurrence Test**” means the test of the financial incurrence covenants as set out in Clause 10.1 (Incurrence Test).

“**Initial Bonds**” means the Bonds issued on the First Issue Date.

“**Insolvent**” means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (Sw. *konkurslagen*).

(1987:672)) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with all or substantially all of its creditors (other than the Bondholders and creditors of secured debt) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (Sw. lag (1996:764) om företagsrekonstruktion) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 7(a) to 7(c).

“**Interest Payment Date**” means 28 February, 28 May, 28 August and 28 November of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 28 February 2017 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means STIBOR (3 months) plus the Margin *per annum*, provided that if STIBOR (3 months) plus the Margin is below zero, the Interest Rate shall be deemed to be zero.

“**Issuer**” means Betsson AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556090-4251.

“**Issuing Agent**” means DNB Bank ASA, Sweden Branch, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Leverage**” means the ratio of Net Interest Bearing Debt to EBITDA.

“**Listing Failure Event**” means that (i) the Bonds are not admitted to trading on the corporate bond list on NASDAQ Stockholm within the Listing Period or (ii) the Bonds cease to be listed on the corporate bond list on NASDAQ Stockholm or any Regulated Market replacing NASDAQ Stockholm (however, taking into account the rules and regulations of NASDAQ Stockholm and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

“**Listing Period**” means, (i) in respect of the Initial Bonds, no later than 60 days after the First Issue Date, provided that the Issuer has used its best efforts to ensure that the listing occurs no later than 30 days after the First Issue Date, and (ii) in respect of

any Subsequent Bonds, no later than 60 days after the issuance of such Subsequent Bonds, provided that the Issuer has used its best efforts to ensure that the listing occurs no later than 30 days after the issuance of such Subsequent Bonds.

“**Make Whole Amount**” means a price equivalent to the sum of:

- (a) the present value on the relevant Redemption Date of 100 per cent. of the Nominal Amount as if such payment originally should have taken place on the Final Maturity Date; and
- (b) the present value on the relevant Redemption Date of the remaining coupon payments (assuming that the Interest Rate for the period from the relevant Redemption Date to the Final Maturity Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the Redemption Date to the Final Maturity Date plus the Margin) on the Bonds on the Final Maturity Date, less any accrued but unpaid interest, through and including the Final Maturity Date,

both calculated by using a discount rate of 50 basis points over the comparable Swedish Government Bond Rate (i.e. comparable to the remaining duration of the Bonds until the Final Maturity Date).

“**Margin**” means 3.50 per cent. *per annum*.

“**Market Loan**” means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, securities issued under medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on NASDAQ Stockholm or any other regulated or unregulated recognised market place.

“**Material Adverse Effect**” means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Group’s ability to perform and comply with the Finance Documents, or (c) the validity or enforceability of the Finance Documents.

“**Net Finance Charges**” means, for the Relevant Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Relevant Period to any member of the Group and any interest income relating to cash or cash equivalent investment.

“**Net Interest Bearing Debt**” means the aggregate interest bearing debt (including also debt instruments with payment in kind interest) less cash and cash equivalent investments (such cash equivalent investments to be calculated in accordance with the applicable Accounting Principles of the Group from time to time) of the Group

(for the avoidance of doubt, excluding loans between members of the Group) and Payment Provider Balances.

“**Payment Provider Balances**” means ninety (90) per cent. of the current receivables with payment providers regarding unsettled client payments.

“**Permitted Debt**” means any Financial Indebtedness:

- (a) incurred under the Bonds (other than Subsequent Bonds);
- (b) incurred by the Issuer under (i) the SEK 700,000,000 revolving facility agreement entered into between the Issuer and Swedbank AB (publ) (ii) the EUR 90,000,000 term loan and revolving facility agreement entered into between the Issuer and Swedbank AB (publ), and (iii) the SEK 45,000,000 revolving facility agreement entered into between the Issuer and Skandinaviska Enskilda Banken AB (publ);
- (c) of the Group incurred pursuant to any financial leasing arrangements incurred in the ordinary course of the Group’s business in a maximum amount of EUR 1,000,000 (or its equivalent in other currencies);
- (d) taken up from a Group Company;
- (e) of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (f) arising under a foreign exchange transaction or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (g) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (h) incurred under Advance Purchase Agreements;
- (i) incurred due to earn-outs in respect of the acquisition of Lošimų strateginė grupė, UAB in the maximum amount of EUR 2,000,000;
- (j) pension liabilities of the Group, in an outstanding amount not exceeding SEK 10,000,000;
- (k) of any person acquired by a member of the Group after the First Issue Date which has been incurred under arrangements in existence at the date of acquisition, but not incurred, increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a

period of six (6) months following the date of acquisition, provided that the Incurrence Test is met (calculated on a pro forma basis including the Financial Indebtedness) at the date of completion of the relevant acquisition;

- (l) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested pro forma including such incurrence, and (i) is incurred as a result of a Subsequent Bond Issue by the Issuer under the Terms and Conditions, or (ii) ranks pari passu or is subordinated to the obligations of the Issuer under the Finance Documents;
- (m) loans from suppliers in an amount not exceeding EUR 1,000,000 (or its equivalent in other currencies);
- (n) incurred by the Issuer in order to refinance the Bonds in full; and
- (o) any other Financial Indebtedness not covered under (a)-(n) above in an aggregate maximum amount of EUR 2,000,000 (or its equivalent in other currencies).

“Permitted Security” means any security:

- (a) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (b) provided over any assets being subject to a financial lease, permitted pursuant to (c) of the definition of Permitted Debt;
- (c) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (d) provided for any guarantees issued by a Group Company in the ordinary course of business;
- (e) any security over or affecting any asset acquired by a member of the Group after the First Issue Date if (i) the security was not created in contemplation of the acquisition of that asset by a member of the Group, (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group and (iii) the security is removed or discharged within six (6) months of the date of acquisition of such asset;
- (f) any security over or affecting any asset of any company which becomes a member of the Group after the First Issue Date if (i) the security was not created in contemplation of the acquisition of that asset by a member of the

Group, (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group and (iii) the security is removed or discharged within six (6) months of the date of acquisition of such asset; and

- (g) any other security not covered under (a)-(f) above securing an aggregate maximum amount of EUR 10,000,000 (or its equivalent in other currencies).

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 13 or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 8.

“**Regulated Market**” means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

“**Relevant Period**” means each period of 12 consecutive calendar months ending on a Test Date.

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

“**STIBOR**” means:

- (a) the applicable percentage rate per annum displayed on NASDAQ Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or

- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“**Subsequent Bonds**” means any Bonds issued after the First Issue Date on one or more occasions.

“**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (Sw. *dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).

“**Swedish Government Bond Rate**” means:

- (a) the interpolated SGB rate between the SGB 12 March 2019 (series 1052) and the SGB 1 December 2020 (series 1047) (mid rates), as determined by the Issuing Agent on or about 11.00 am on the date of the notification of redemption; or
- (b) if no quotation is available pursuant to paragraph (a), the SGB rate which the Issuing Agent deems appropriate for the purpose of the calculation set out in this definition (acting reasonably); and

if any such rate is below zero, the Swedish Government Bond Rate will be deemed to be zero.

“**Swedish Kronor**” and “**SEK**” means the lawful currency of Sweden.

“**Test Date**” has the meaning given to that term in Clause 10.2

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

“**Transaction Costs**” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with the issuance of the Bonds.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 16.

1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
 - (i) "assets" includes present and future properties, revenues and rights of every description;
 - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law, but if not having the force of law with which it is market practice to comply with) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (iv) a provision of law is a reference to that provision as amended or re-enacted; and
 - (v) a time of day is a reference to Stockholm time.
- (b) an Event of Default is continuing if it has not been remedied or waived;
- (c) When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- (d) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- (e) No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2 Status of the Bonds

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.

- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The nominal amount of each Bond is SEK 1,000,000 (the "**Nominal Amount**"). The maximum Total Nominal Amount of the Initial Bonds is SEK 1,000,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- (d) Provided that (i) no Event of Default is continuing or would result from such issue and (ii) the Incurrence Test is met (tested *pro forma* including such Financial Indebtedness), the Issuer may, on one or more occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the applicable ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The issue price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 2,000,000,000.
- (e) The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations mandatorily preferred by law, and without any preference among them.
- (f) Subject to any restrictions to which a Bondholder may be subject due to local law or otherwise, the Bonds are freely transferable. Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.
- (g) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3 Use of Proceeds

The Issuer shall use the proceeds from the issuance of the Bonds (the Initial Bonds and all Subsequent Bonds), less the Transaction Costs, to facilitate the Issuer's acquisition strategy, refinance debt and general corporate purposes of the Group.

4 Bonds in Book-Entry Form

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting under Clause 15 or any direct communication to the Bondholders under Clause 16, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- (f) The Issuer and the Agent may use the information referred to in Clauses 5(c) through 5(e) only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

5 Right to Act on Behalf of a Bondholder

- (a) If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such person.
- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 5(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

6 Payments in Respect of the Bonds

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, requested by the Bondholders pursuant to these Terms and Conditions, shall be made to such person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant payment date.
- (b) If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect the payment of amounts according to the aforesaid, the CSD will pay such amount to the relevant Bondholder being registered as such on the Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 7(d) during such postponement.

- (d) If payment or repayment is made in accordance with this Clause 6, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a person not entitled to receive such amount.

7 Interest

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

8 Redemption and Repurchase of the Bonds

8.1 Redemption at maturity

The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

8.2 Issuer's purchase of Bonds

- (a) The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the

Issuer may at the Issuer's discretion be retained or sold by the Issuer, however, provided that no Bonds may be cancelled by the Issuer.

- (b) Notwithstanding Clause 8.2(a) above, Bonds held by the Issuer may be cancelled (i) in connection with a full redemption of the Bonds in order to cater for such full redemption of the Bonds, and (ii) if the Issuer has purchased all Bonds and the Issuer cancels all, but not some only, of the Bonds.

8.3 Voluntary total redemption

- (a) The Issuer may redeem all, but not some only, of the outstanding Bonds in full on any Business Day prior to the Final Maturity Date, at an amount per Bond equal to (i) the Make Whole Amount, or (ii) if the Bonds are redeemed in full by way of one or several Market Loans issues, at any time from and including the date falling 33 months after the First Issue Date to, but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 8.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice prior to the relevant Redemption Date to the Bondholders and the Agent in accordance with the instructions of Issuer or the Issuing Agent, as applicable, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amount on the specified Redemption Date.

8.4 Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)

- (a) Upon a Change of Control Event or a Listing Failure Event occurring, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event or a Listing Failure Event pursuant to Clause 9.1(b) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or the Listing Failure Event.
- (b) The notice from the Issuer pursuant to Clause 9.1(b) shall specify the repurchase date and include instructions about the actions that a Bondholder

needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 9.1(b). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 8.4(a).

- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 8.4 the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 8.4 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 8.4 may be retained, sold or cancelled in accordance with Clause 8.2 above.

9 Information to Bondholders

9.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language to the Bondholders by publication on the website of the Issuer:
 - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
 - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
 - (iii) the year-end report (Sw. bokslutskommuniké) for such period; and
 - (iv) any other information required by the Swedish Securities Markets Act (Sw. lag (2007:582) om värdepappersmarknaden) and the rules and regulations of the Regulated Market on which the Bonds are listed.

- (b) The Issuer shall immediately notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or a Listing Failure Event.
- (c) When the financial statements and other information are made available to the Bondholders pursuant to Clause 9.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall supply a Compliance Certificate to the Agent:
 - (i) in connection with the incurrence of Financial Indebtedness or the making of a Restricted Payment which requires the fulfillment of the Incurrence Test, if pro forma Leverage (including the Financial Indebtedness or Restricted Payment) is equal to or exceeds 3.00:1; and
 - (ii) within twenty (20) Business Days from the Agent's request.
- (e) The Issuer shall immediately notify the Agent (with full particulars) when the Issuer is or becomes aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (f) The Issuer is only obliged to inform the Agent according to this Clause 9.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 9.1.
- (g) When and for as long as the Bonds are listed, the Issuer shall also make the information set out in Clause 9.1(a) above public by way of press release.

9.2 Information from the Agent

The Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the

foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

9.3 Information among the Bondholders

Upon request by a Bondholder, the Agent shall promptly distribute to the Bondholders any information from such Bondholder which relates to the Bonds. The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed.

9.4 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- (b) The latest versions of the other Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours.

10 Financial Testing

10.1 Incurrence Test

The Incurrence Test is met if:

- (a) (i) for the purpose of the incurrence of Financial Indebtedness, Leverage does not exceed 3.50:1 and (ii) for the purpose of distribution of a Restricted Payment, Leverage does not exceed 4.00:1; and
- (b) no Event of Default is continuing or would occur upon the incurrence of Financial Indebtedness or distribution of a Restricted Payment.

10.2 Testing

The calculation of Leverage shall be made as per a testing date determined by the Issuer (the "Test Date"), falling no more than one month prior to the incurrence of the new Financial Indebtedness or the distribution of the Restricted Payment. The Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt). EBITDA shall be adjusted as set out below.

The calculation of the Leverage for the Incurrence Test shall be made in accordance with the Accounting Principles applicable on the First Issue Date.

10.3 Calculation Adjustments

The figures for EBITDA, Finance Charges and Net Finance Charges, shall be used for the Incurrence Test, but adjusted so that:

- (a) entities acquired or disposed of by the Group during the Relevant Period shall be included or excluded (as applicable), pro forma, for the entire Relevant Period; and
- (b) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, pro forma, for the entire Relevant Period.

11 General Undertakings

11.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 10 for as long as any Bonds remain outstanding.

11.2 Distributions

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries:
 - (i) pay any dividend in respect of its shares;
 - (ii) repurchase or redeem any of its own shares;
 - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to shareholders;
 - (iv) repay any loans granted by its direct or indirect shareholders or pay interest thereon;
 - (v) make any prepayments or repayments under any long-term debt ranking junior or *pari passu* with the Bonds;
 - (vi) grant any loans (other than credits with a maximum duration of four (4) months to partners of the Group granted in the ordinary course of business of the Group) except to Group Companies; or
 - (vii) make any other similar distribution or transfers of value to the Issuer's, or the Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders,
 - (viii) (items (i)-(vii) above are together and individually referred to as a "**Restricted Payment**"), provided however that any such Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such

Restricted Payment and is made by any Group Company to another Group Company.

- (b) Notwithstanding the above, a Restricted Payment may be made by the Issuer, if at the time of such Restricted Payment;
 - (i) such Restricted Payment is mandatory under the Swedish Companies Act (Sw. *aktiebolagslagen 2005:551*) (including redemptions of shares of Series C in accordance with the articles of association of the Issuer); or
 - (ii) (A) the applicable Incurrence Test is fulfilled (calculated on a *pro forma* basis including the relevant Restricted Payment), (B) such Restricted Payment is permitted by law and (C) no Event of Default is continuing or would result from such Restricted Payment.

11.3 Nature of Business

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such substantial change would have a Material Adverse Effect.

11.4 Financial Indebtedness

Unless the relevant Financial Indebtedness constitutes "Permitted Debt", the Issuer shall not, and shall procure that none of its Subsidiaries, incur, maintain or prolong any Financial Indebtedness.

11.5 Disposal of Assets

The Issuer shall not, and shall procure that no Subsidiary, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out on market terms for such transaction and provided that it does not have a Material Adverse Effect.

11.6 Dealings with Related Parties

The Issuer shall, and shall procure that its Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

11.7 Negative Pledge

The Issuer shall not, and shall procure that none of its Subsidiaries, provide, prolong or renew any security over any of its/their assets (present or future) to secure any Financial Indebtedness, provided however that the Group Companies have a right to provide, prolong and renew any Permitted Security.

12 Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 12 (other than Clause 12.10 (Acceleration of the Bonds)) is an Event of Default.

12.1 Non-Payment

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is caused by administrative or technical error and payment is made within five (5) Business Days of the due date.

12.2 Other Obligations

The Issuer does not comply with its obligations under the Finance Documents, in any other way than as set out under Clause 12.1 (Non-Payment) above, unless the non-compliance is capable of remedy and the Issuer has remedied the failure within fifteen (15) Business Days of the earlier of (i) a request by the Agent and (ii) the Issuer becoming aware of the non-compliance.

12.3 Cross-Acceleration

Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 12.3 if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 10,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

12.4 Insolvency

- (a) Any Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors with a view to rescheduling its Financial Indebtedness; or
- (b) a moratorium is declared in respect of the Financial Indebtedness of any Group Company.

12.5 Insolvency Proceedings

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Group Company; and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction.

12.6 Mergers and Demergers

A decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect or a decision where the Issuer shall enter into a merger, where the Issuer is not the surviving entity, or a demerger.

12.7 Creditors' Process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding SEK 10,000,000 and is not discharged within 60 days.

12.8 Impossibility or Illegality

It is or becomes impossible or unlawful for the Issuer to fulfill or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

12.9 Continuation of Business

The Issuer or any other Group Company ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect or in the case of a merger or demergers as stipulated in Clause 12.6 (Mergers and Demergers) above.

12.10 Acceleration of the Bonds

- (a) If an Event of Default has occurred and is continuing, the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due for payment together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 12.10(a) by reference to a specific Event of Default if it is no longer continuing or if it

has been decided, on a Bondholders' Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 14. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders (in accordance with the Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as, in the opinion of the Agent, may be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 12.9, the Issuer shall redeem all Bonds with an amount per Bond equal to the Make Whole Amount (plus accrued and unpaid Interest).

13 Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 12 shall be applied in the following order of priority, in accordance with the instructions of the Agent:
 - (i) first, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts

that have not been reimbursed by the Issuer in accordance with Clause 18.2(e), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 14(c) together with default interest in accordance with Clause 7(d) on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;

- (ii) secondly, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (iii) thirdly, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (iv) fourthly, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause (d) on delayed payments of Interest and repayments of principal under the Bonds.

Any excess funds after the application of proceeds in accordance with paragraphs (i) to (iv) above shall be paid to the Issuer.

- (b) Funds that a Bondholder receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) and must promptly be turned over to the Agent to be applied in accordance with this Clause 13 as soon as reasonably practicable.

14 Decisions by Bondholders

- (a) Any decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a

Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.

- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 14(c) being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the Issuer or the convening Bondholder(s) with the information available in the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- (e) Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 15(a) or (ii) instigate a Written Procedure by sending communication in accordance with Clause (a), in both cases with a copy to the Agent. After a request from the Bondholders pursuant to Clause 18.4(c), the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 15(a). The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice or the communication.
- (f) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 5 from a person who is, registered as a Bondholder:
 - (i) on the Business Day specified in the notice pursuant to Clause 15(b), in respect of a Bondholders' Meeting, or
 - (ii) on the Business Day specified in the communication pursuant to Clause 16(b), in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount. Such Business Day specified

pursuant to item (i) and (ii) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

- (g) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ($66 \frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause (b):
 - (i) a change to the terms of any of Clause 2(a), and Clauses (e) to 2(g);
 - (ii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 8;
 - (iii) a change to the terms for the distribution of proceeds set out in Clause 13;
 - (iv) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 14;
 - (v) a change to the definition "Interest Payment Date", the definition "Interest Rate" or the definition "Margin" set out in Clause 1.1.
 - (vi) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
 - (vii) a mandatory exchange of the Bonds for other securities; and
 - (viii) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 12 or as otherwise permitted or required by these Terms and Conditions.
- (h) Any matter not covered by Clause 14(g) shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16(b). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 17(a)(i) or (a)(ii)) or an acceleration of the Bonds.
- (i) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per

cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 14(g), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (ii) if in respect of a Written Procedure, reply to the request.

If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matter for which a quorum exists.

- (j) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 15(a)) or initiate a second Written Procedure (in accordance with Clause 16(a)), as the case may be, provided that the the person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 14(j), the date of request of the second Bondholders' Meeting pursuant to Clause (a) or second Written Procedure pursuant to Clause (a), as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause (i) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (k) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- (l) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (m) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

- (n) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (o) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (p) If a decision is to be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) an Affiliate of the Issuer, irrespective of whether such person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company or an Affiliate of the Issuer.
- (q) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the each person registered as a Bondholder on the date referred to in Clause 14(f)(i) and 14(f)(ii) and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

15 Bondholders' Meeting

- (a) The Agent shall convene a Bondholders' Meeting as soon as practicable and in any event no later than five (5) Business Days after receipt of a valid request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Bondholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- (b) The notice pursuant to Clause 15(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders), (iv) the day on which a person must be a Bondholder in order to exercise Bondholders' rights at a Bondholders'

Meeting, and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

- (c) The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- (d) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

16 Written Procedure

- (a) The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than five (5) Business Days after receipt of a valid request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Bondholder on a date selected by the Agent which falls no more than 5 (five) Business Days prior to the date on which the communication is sent.
- (b) A communication pursuant to Clause (a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 16(a)). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- (c) When consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 14(g) and 14(h) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause (g) or (h), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

17 Amendments and Waivers

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 14.
- (b) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause (a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 17(a). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- (c) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

18 Appointment and Replacement of the Agent

18.1 Appointment of Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set out in Clause 18.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the

Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.

- (d) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent) that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

18.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- (d) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (e) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all reasonable costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the

Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 13.

- (f) The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (i) The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 18.2(h).

18.3 Limited liability for the Agent

- (a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the

Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

- (d) The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 14 or a demand by Bondholders given pursuant to Clause 12.9.
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

18.4 Replacement of the Agent

- (a) Subject to Clause 18.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 18.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent with immediate effect and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent in accordance with this Clause 18.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

19 Appointment and Replacement of the Issuing Agent

- (a) The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- (b) The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.
- (c) The Issuing Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing

Agent, as may be necessary in order for the Issuing Agent to carry out its duties under the Terms and Conditions.

20 Appointment and Replacement of the CSD

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.
- (b) The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the listing of the Bonds. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (Sw. *lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Account Act (Sw. *lag (1998:1479) om kontoföring av finansiella instrument*).

21 No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- (b) Clause 21(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 18.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause (h), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2(i) before a Bondholder may take any action referred to in Clause (a).
- (c) The provisions of Clause (a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under

Clause 21(a) or other payments which are due by the Issuer to some but not all Bondholders.

22 Prescription

- (a) The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.
- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

23 Notices and Press Releases

23.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
 - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
 - (ii) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Bondholder in order to receive the communication, and by either courier delivery or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.

- (b) Subject to Clause 23.1(e) below, any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1(a).
- (c) Any notice pursuant to the Finance Documents shall be in English.
- (d) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.
- (e) If any notice or other communication made by the Agent to the Issuer or the Issuer to the Agent under or in connection with the Finance Documents is sent by email, it will be effective on the day of dispatch (unless a delivery failure message was received by the Agent or the Issuer), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

23.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 8.4, 9.1(b), 9.1(e), 12.10(c), 14(q), 15(a), 16(a) and 17(b) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 23.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

24 Force Majeure and Limitation of Liability

- (a) Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts,

boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

25 Governing Law and Jurisdiction

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).
- (c) Items (a) and (b) above shall not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

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